

# 2022

— ANNUAL REPORT —

 **CEDF**  
Communities Economic Development Fund

 **LOOK NORTH**



# Our Mission

Through leadership in community building, creating connections and business development we unleash the economic power of Northern Manitoba.

# Our Vision

Growing Northern Manitoba.

CEDF would like to acknowledge Manitoba encompasses Treaty 1, 2, 3, 4, and 5 Territory and communities who are signatories to Treaties 6 and 10. We acknowledge Manitoba is located on the Homeland of the Red River Métis. We acknowledge northern Manitoba includes lands that were and are the ancestral land of the Inuit.

*Front cover photography by Nuno Pereira*

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Honourable Clifford Cullen  
Minister Responsible for  
The Communities Economic Development Fund  
Province of Manitoba  
Room 358 Legislative Building  
450 Broadway  
Winnipeg MB R3C 0V8

Dear Minister Cullen

On behalf the Board and Management for the Communities Economic Development Fund, it is my pleasure to forward to you, the 50th Annual Report for the year ended March 31st, 2022.

As lead for the implementation of the Look North Initiative, CEDF's board and staff look forward to our continued working relationship with the Province and our many stakeholders to help unleash the full economic potential of Northern Manitoba.

Yours Sincerely,

Doug Lauvstad  
Chairperson



# Corporate Profile

## MINISTER RESPONSIBLE

The Honourable Cliff Cullen

## BOARD OF DIRECTORS

*Chairperson*



**Doug  
Lauvstad**

*Directors*



**Rebecca  
Cianflone**



**Chuck  
Davidson**



**Edna  
Nabess**



**Colleen  
Smook**



**Ron  
D. Spence**



**Theresa  
Wride**

## OFFICERS

**Chris Thevenot**

*Chief Executive Officer*

**Mengfei Yang**

*Manager of Finance*

**Leann Brown**

*Manager, Programs & Projects*

**Muhamud Hassan**

*Former Chief Executive Officer*

The Communities Economic Development Fund is a Manitoba Crown Corporation, incorporated under the Communities Economic Development Fund Act (C155 of the Consolidated Statutes of Manitoba).

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# Corporate Report



## OVERVIEW

In March 2019, CEDF received its new mandate from the Province as the regional economic development partner for Northern Manitoba, CEDF will:

- Lead implementation of the Look North Report & Action Plan.
- Coordinate economic development services for northern companies and entrepreneurs, in collaboration with other organizations providing business support in the region, to avoid duplication and create clear pathways for companies.
- Collaborate with Economic Development, Investment & Trade and engage with northern communities, Indigenous communities, businesses, training providers and other stakeholders to advance initiatives that:
  - grow local companies and industries;
  - create jobs;
  - attract talent and investment; and
  - increase the economic competitiveness and prosperity of Northern Manitoba.

## LOOK NORTH

As the lead agency for the delivery of the Look North Report and Action Plan, the recommendations in the report included developing a marketing and communication strategy for the Look North initiative as well as fostering collaboration and opportunities for partnerships and strategic alliances. The Look North Report indicates six areas of focus which CEDF needs to act upon in partnership and in collaboration with other stakeholders.

## BUSINESS LOANS PROGRAM

There continues to be a loan moratorium on CEDF's business loans. At year end, the Business Loans portfolio stood at \$10.9 million, down from \$12.4 million in the previous year. CEDF offered business loan clients a loan payment deferral option since April 2020 due to the COVID-19 pandemic. Many clients utilized this deferral option which supported their business recovery.

## FISHERIES LOANS PROGRAM

CEDF continues to be a major source of financing to the industry where many of our clients do not have access to conventional financing. The loans are for assets such as boats, motors, ATVs, snowmobiles, quotas, and nets. CEDF caters its loan payments to reflect the seasonality of the industry. CEDF continues to monitor fishery conditions and work with fishers to address issues as part of its risk mitigation approach. At fiscal year end, the Fisheries Loan portfolio stood at \$10.5 million which is slightly less from the \$10.6 million in the previous year. CEDF was able to offer all fisheries loan clients a loan payment deferral option since April 2020 due to the COVID-19 pandemic. Many fishers utilized this deferral option which supported their operations recover as some fishing seasons were closed completely.



# Look North Initiative

## SIX AREAS OF FOCUS

1



NORTHERN MINERAL AND OTHER  
NATURAL RESOURCE POTENTIAL

2



INDIGENOUS ENGAGEMENT  
AND PARTNERSHIPS

3



STRATEGIC INFRASTRUCTURE  
INVESTMENT

4



HOUSING CHALLENGES  
AND OPPORTUNITIES

5



ENTERPRISE ECOSYSTEM  
OF SUPPORT

6



EDUCATION, TRAINING AND  
WORKFORCE DEVELOPMENT



# Project Update and Success Stories



## COMMERCIAL FISHERS TRAINING PROGRAMS IN COLLABORATION WITH UCN

CEDF partnered with North Forge North and UCN to increase learning opportunities of commercial fishers by offering two training programs that could be used by those within the industry in their fishing operations or to help gain other employment during the off- season. These courses included:

### Welders Helper Training

This course was designed to teach basic welding skills which could be used in situations in the commercial fishing industry or to find other employment during the off-season. The students were trained in the following areas: safety awareness, welding equipment, introduction to welding processes and oxy-fuel welding.

Together the students built a work table and their own individual wood stoves. The course lasted 10 days with eight students taking part.



### Small Motor Training

This course was designed to teach basic motor repair skills which could be used in situations in the commercial fishing industry or to find other employment during the off-season. The students were trained in the following areas: trade safety awareness, communications/computer skills, lubrication, fuel systems and batteries, engine fundamentals, power transmissions troubleshooting and seasonal preparation.

The students had an opportunity to build and disassemble motors from snowmobiles, snow blowers, lawn mowers, outboard motors, generators, chainsaws, and ATVs. The course lasted 10 days and nine students took part.



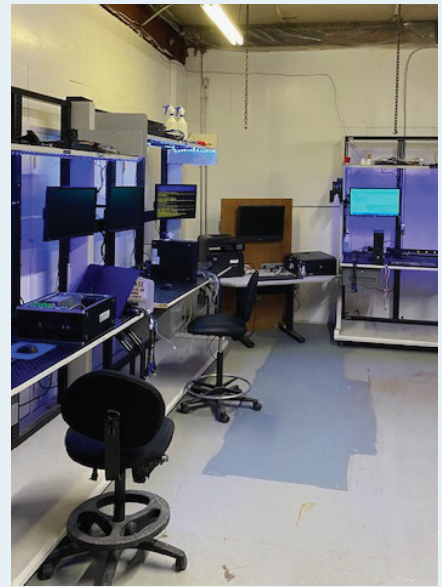


## COMPUTERS 4 SCHOOLS MANITOBA – THOMPSON EXPANSION

Computers 4 Schools Manitoba (C4SMB) opened a new location in Thompson when it was recognized that many groups were facing barriers in accessing computers in a market that was quickly becoming reliant on them. C4SMB help provide computers to youth, seniors, not-for-profits and other groups by taking in donated computers, laptops and electronics from individuals, government, and large organizations, refurbishing them to a like-new state, and returning them to community members and groups for a low or no-cost fee. Since the program began in October 2021 to March 31, 2022 over 50 computers have been distributed across the north.

The C4SMB program also includes a training component where interns aged 15-30 are paid-to-train and enter the program with zero to minimal skill in technology repairs and over the course of approximately six to nine months, interns develop skills in technology repairs, warehousing, mentorship, and office administration. Since C4SMB opened in Thompson to March 31, 2022, six interns were hired with one becoming a supervisor within the Thompson branch upon completion of the internship program.

With CEDF's help to secure space along with its assistance in advertising, networking and marketing strategies, C4SMB will continue to take in new interns, donations for electronics and fulfill any orders for electronic devices to those in need into the foreseeable future. CEDF would like to acknowledge Northern Manitoba Sector Council, Community Futures North Central Development and the City of Thompson who are all partners in this great initiative.



## WINTER FISHERY INCENTIVE PILOT PROGRAM

The intent of the Winter Fishery Incentive pilot program was to increase the number of winter fishers and winter fishing production in localized northern area's that had no production during the previous winter. The program supported summer fishers who wanted to make the transition to winter fishing operations.

The four participants combined production during March 2022 from the area was 18,711 pounds, generating an estimated \$23,062 in new fish production income.





## SUB ZERO NORTH / WINTER WEATHER TESTING THOMPSON

CEDF is one of many partners that provide support to Winter Weather Testing in Thompson and area. This past winter season, the Winter Weather Testing group was contacted by Transport Canada to coordinate drone testing in Thompson as well as host a workshop to interested groups.

Presenters: DecisionWorks, Spexi-Geo and AIRmarket

Some of the exceptional ways Northern Manitoba can benefit from this technology include:

- Search & Rescue (first responders)
- Linear Infrastructure Inspection (rail, highway, pipeline, hydro)
- Architecture & Engineering (construction, development, environmental, real-estate)
- Rail Monitoring (water pooling, right of way, track conditions) just to name a few.

Guests included: Hudson Bay Railway, Natural Resource and Northern Development, Thompson Fire Department, Thompson Emergency Services, Transport Canada, University College of the North, Ministry of Industry, Computers 4 Schools and The Wawatay Inn.

"I can speak for the Spexi, AIRmarket, and DecisionWorks teams when I say we are big fans of your organization, and the Thompson area in general. It was great to see such a varied group of folks come out to the presentations." - Alec Wilson, COO of Spexi





## DIGITIZATION OF TOURISM INDUSTRY

CEDF identified the importance of technology adaption in the transformation of the northern economy. CEDF in partnership with ID Fusion (an Indigenous IT company) and UCN, piloted a project aimed at community engagement and local capacity building. Seven female Indigenous IT students, currently enrolled in UCN's two-year Information Technology Employment Readiness North Program, built or upgraded online e-commerce websites for five restaurants and one lodge located in Northern Manitoba.



The goal of this UCN program is to build a bench of skilled local youth to support the businesses now and in the future. Through the support and direction of ID Fusion these interns were able to build and edit websites using pre-built templates consisting of four to five pages which in turn were customized for each business. Customers are now able to visit their website to check the menu, order online, view the business's background and contact information. Business supported through this initiative include: The Orange Toad, Flin Flon Friendship Centre's Wihkipow Restaurant and Flin Flon Pizza all located in Flin Flon, 315 Family Dining located in the Kikiwak Inn located in Opaskwayak Cree Nation, Kenanow Lodge located in Sherridon and River View Restaurant located in Thompson.

## SLED FRIENDLY MB, NORTH OF 53 CERTIFICATION TRAINING – ONGOING

The goal of the Sled Friendly Certification Training is to increase awareness of what makes a sled friendly community and the steps the community and businesses can take to become certified.

The Sled Friendly Community Certification will show visitors you have made the commitment to providing a safe and accommodating destination for snowmobilers. The Sled Friendly Business Certification will show potential customers/guests that your business has made the commitment to provide inviting, accommodating and safe services to snowmobilers. This includes everything from providing a secure place to store their sleds to having welcoming staff that are aware of the complimentary businesses and attractions in your region.

In early December 2021 the Sled Friendly Certification Program was launched in Snow Lake, MB at the Snow Lake Motor Inn. Since its launch, six individuals have taken the Sled Friendly Ambassador training program along with 12 businesses from the communities of Flin Flon, The Pas, Thompson, Cranberry Portage and Gillam. We are pleased to announce Thompson MB as the first Sled Friendly Community.

The Sled MB 53 initiative is a collaboration between the following groups: Community Futures North Central Development, Community Futures Greenstone, Community Futures Cedar Lake, CEDF, Travel Manitoba and four northern snowmobile clubs.



## MINING ASSESSMENT REPORT

CEDF secured the services of Prairie Sky Strategy to complete an updated Mining Assessment Report. The report included some key findings where CEDF can play a role. One key objective is for CEDF to connect and assist northern businesses that can offer goods and services to the mining industry but need assistance on the procurement process. Other items to highlight include:

**Critical Minerals and Green Economy:** Manitoba has potential for critical minerals such as lithium and rare earth elements, required for the green economy. Within the list of Canada's 31 Critical Minerals, Manitoba has 26 of these minerals either in production, in advanced exploration, early exploration or as known occurrences.

**Mining Potential:** Manitoba has proven, favourable geology for a wide variety of deposit types including volcanogenic copper-zinc-gold, orogenic gold, magmatic nickel. Other Manitoba mineral resources with potential for future economic development include platinum-group elements (platinum, palladium, and rhodium), titanium, vanadium, chromite, silica, diamonds and potash.

## ARTS & CULTURE STRATEGY FOR NORTHERN MANITOBA

CEDF secured "Arts and Heritage Solutions" to complete an Arts & Culture Strategy for Northern Manitoba and the completed report provided CEDF with key outcomes to move forward on. Some to note include: work with the strengths that have emerged in northern arts development, work with provincial arts organizations and programs to enhance usage from Northern Manitoba artists, link with existing northern festivals, enhance the product and reach of artists and utilize all possible means to market northern arts and cultural products and services to the world.

This strategy is a plan for incremental gains in the sector. It is intended to support strengths that have already emerged in the sector across Northern Manitoba. The report concluded that Northern Manitoba has plenty of opportunities and potential for arts development with rich history and vast

riches in the region. There is an abundance of beauty and inspiration in the North that can be an inspiration to others when the art forms inspired by this place are shared with others.

## THE PAS COMMUNITY DEVELOPMENT CORPORATION

CEDF through discussions with The Pas Community Development Corporation (CDC) determined that the town had just acquired some new land and would benefit with the support of certified Land Planners. CEDF provided assistance and connected Urban Systems in Winnipeg with The Pas CDC for the supports needed.

Jackie from The Pas CDC advised that the connection made between Urban Systems and The Pas CDC, through CEDF funding has been very beneficial. We have been able to meet with a certified Community Planner on multiple occasions to ask for advice, direction, and project plans around land development for both commercial and residential uses. This partnership has also brought valuable information as to the processes of land development, best practices, and possible pathways to approach residential developers. The funding will also allow the CDC to bring a representative to The Pas to begin a community consultation process on housing needs in the community. This partnership has allowed us to see various examples from other communities in Manitoba on how they approach and attract residential development, which has provided the CDC the confidence to partner and invest in a housing needs assessment.

## MANITOBA MINERAL DEVELOPMENT FUND (MMDF) PARTNERSHIP

### Prospectors and Developers Association of Canada (PDAC) 2022

CEDF along with the Northern Manitoba Sector Council submitted an application to MMDF for financial assistance to support Prospectors & Developers (P&Ds) and Economic Development Officers (EDOs) from Manitoba to attend PDAC 2022 in Toronto. MMDF approved the funding application in February 2022 which allowed CEDF the ability to send seven candidates (four P&Ds and



three EDOs). CEDF would like to acknowledge the assistance of Northern Manitoba Sector Council, Mining Association of Manitoba Inc. and Manitoba Prospectors and Developers Association for being on the selection committee. Please see below for some quotes received from attendees.

“As the New Economic Development Officer, I wasn’t aware of the potential of mining in our region. When I returned home from PDAC 2022, I uncovered historical information and created a working group for a strategy on Mining and Mineral development in our region. The Indigenous programs and workshops at the conference was the most interesting because it was relevant and realistic to our First Nations Communities, Next year we will probably bring a broader contingent for OCN.” - Daryl Bauer, EDO for Paskwayak Business Development Corporation in OCN

“PDAC 2022 was a remarkable success particularly considering the diverse connections that the forum has provided, and the wealth of development opportunities that it highlighted. The insights garnered via PDAC 2022 will be injected into our region’s ongoing efforts in investment attraction, and fostering an enabling environment to support development.” - Brian Lin, EDO for Flin Flon, Creighton and Denare Beach.

“I would like to extend my gratitude to CEDF for providing me with the support to attend the PDAC conference. I am thankful for the opportunity to attend the workshops and meet my connections at the conference. It was a success, and I enjoyed my time there.” - Peru Sidhu, Prospector – Student Contractor, Vale Manitoba Operations.

#### **Northern Manitoba Tech Hub Pilot Program**

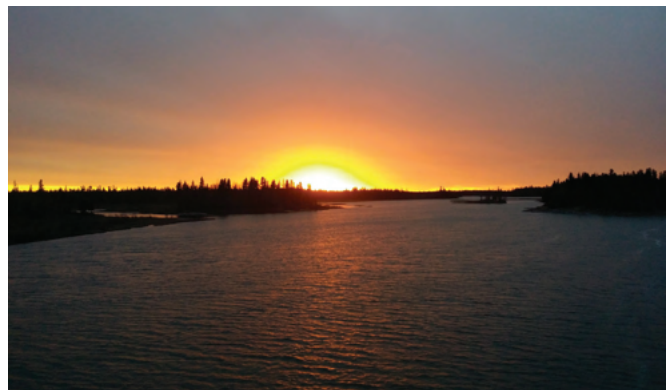
CEDF along with Community Futures North Central Development (CFNCD) submitted an application to MMDF for financial assistance on a Tech Hub Pilot Program for Northern Manitoba. This program saw two Tech Companies based out of Winnipeg hire paid interns to work remotely in the North. Funding for this project was approved in February 2022 with project starting in May 2022. See next year’s annual report for full project details. CEDF would like to acknowledge all partners for this project which include: CFNCD, Northern Manitoba Sector

Council, New Media Manitoba, North Forge, Bit Space Development and Upfeat Media Inc.

#### **RE-TRAIN MB**

CEDF in partnership with YES Winnipeg/Economic Development Winnipeg hosted an online webinar on the Province of Manitoba’s “Re-Train MB” program that provided businesses with the opportunity to claim expenses related to staff training up to \$2,500 per employee. The webinar was a great success with the largest uptake in attendee’s that YES Winnipeg had. In total, 115 participants attended the webinar and shortly following this session the program ended due to all funds being approved to disburse. CEDF would like to thank YES Winnipeg for the delivery of the webinar and will continue to look to partner with similar organizations in the future where we believe it would be beneficial to the North.

In closing, CEDF and Look North Team have enjoyed every project we have been involved with and we couldn’t do it without the many partners and stakeholders who also believe in these projects. Leveraged funds from the projects mentioned above total \$810,000.



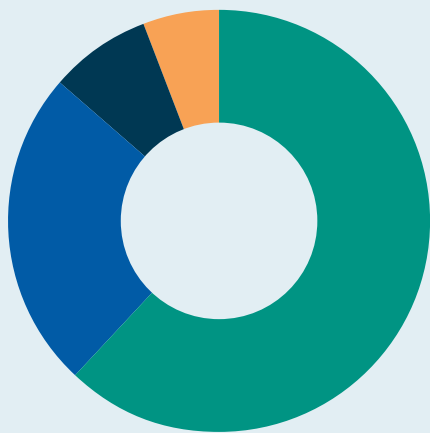
# Performance Data

	2022	2021	2020	2019	2018	2017
No. of Loans Approved - Business	0	0	0	0	0	13
Dollar Value - Business (Note 1)	-	-	-	-	-	\$1,309,120
Dollar Value - Fisheries Approvals	\$1,994,071	\$1,798,378	\$3,125,034	\$3,390,116	\$3,024,035	\$3,606,696
No. of Active Loans - Business	51	64	85	92	98	111
No. of Active Loans - Fisheries	753	766	738	888	752	871
Portfolio Value - Total	\$21,537,112	\$22,981,709	\$23,872,986	\$27,478,263	\$29,713,032	\$31,777,978
Total Subsidy	\$1,463,763	\$1,463,670	\$1,463,530	\$999,926	\$1,429,983	\$1,429,984
Bad Debt Expense - Business	\$390,000	\$135,000	\$154,000	\$87,000	\$201,351	\$210,810
Bad Debt Expense - Fisheries	\$281,000	\$230,296	\$428,500	(\$87,000)	\$418,716	\$114,000
Total Bad Debt	\$671,000	\$365,296	\$582,500	-	\$620,067	\$324,810

Note 1 – CEDF has been under a business loan moratorium since March 2017. No new business loans approved for the 2021 – 2022 year.



# Historical Totals at a Glance



Total Business Revenues Earned  
\$1,092,351,251



Total Revenue from Fisher Clients  
\$428,665,602



Total Business Loans Advanced  
\$135,998,904



Total Fisheries Loans Advanced  
\$100,629,935

 **CEDF**  
Lead Entity For The Delivery Of

LOOK  NORTH

# Business Loans & Jobs Created

Year Approved	Amount Approved	Applications Approved	Jobs Created &/or Retained	Jobs Supported by Business	Direct Wages Paid by Business	Total Business Revenue
1972-1988	\$28,143,297	695	2235			
1989	725,243	22	31			
1990	1,681,090	38	136			
1991	1,737,344	30	80			
1992	1,183,686	19	102			
1993	5,406,375	36	120			
1994	1,427,220	21	88			
1995	4,811,247	51	135			
1996	6,134,635	64	252			
1997	4,321,829	53	198			
1998	4,387,457	45	230	Note 1		Note 1
1999	5,188,498	41	178	466	Note 2	\$37,540,000
2000	2,062,664	36	165	488	\$10,364,000	41,096,000
2001	2,797,419	28	170	511	10,310,000	41,395,000
2002	2,787,386	28	166	533	11,859,000	42,283,000
2003	5,174,099	39	213	460	11,755,000	49,738,000
2004	4,721,154	41	267	508	11,433,000	53,860,000
2005	2,834,888	33	359	697	13,964,061	60,541,432
2006	4,961,588	35	155	750	14,701,713	59,203,128
2007	4,123,999	31	233	787	14,573,467	59,999,057
2008	1,687,381	27	242	767	13,155,686	49,602,280
2009	2,590,197	27	132	899	14,668,639	47,399,488
2010	3,207,171	23	167	933	16,180,196	50,334,854
2011	1,238,133	15	20	860	15,233,119	44,158,425
2012	3,150,028	21	228	1125	15,834,769	44,602,662
2013	6,562,214	24	236	874	13,279,922	50,958,422
2014	5,545,616	23	148	498	12,324,224	53,111,166
2015	7,177,420	32	266	581	13,400,379	53,831,916
2016	5,777,148	36	165	494	10,710,557	49,970,917
2017	4,452,478	15	160	482	10,081,832	43,315,616
2018	Note 3	Note 3	Note 3	464	8,951,724	55,223,506
2019	Note 3	Note 3	Note 3	492	10,530,927	59,735,781
2020	Note 3	Note 3	Note 3	393	9,798,780	44,450,601
2021	Note 3	Note 3	Note 3	Note 3	Note 3	Note 3
2022	Note 3	Note 3	Note 3	Note 3	Note 3	Note 3
	\$135,998,904	1629	7277		\$263,110,995	\$1,092,351,251

Note 1 - Statistics on jobs supported and revenue earned by individual businesses was not recorded prior to 1999.

Note 2 - Statistics on wages paid by individual businesses was not recorded prior to 2000.

Note 3 - CEDF has been under a business loan moratorium since March 2017. No new business loans approved for the 2021-2022 year.



# Fisheries Loans

Year	Loans Approved	Fishers Supported	Total Revenue of Fisher Clients	Amount of Licensed Fishers Delivering to FPMC	% of CEDF Client over Total Provincial Fishers
1993	\$3,025,154	1300	not available	2025	64%
1994	2,249,264	1300	\$18,904,020	1894	69%
1995	2,249,264	1160	11,680,536	1839	63%
1996	3,160,518	1300	8,743,872	1927	67%
1997	3,356,312	1100	12,047,928	1863	59%
1998	2,529,516	1104	9,151,612	1758	63%
1999	2,617,119	1104	17,292,000	1719	64%
2000	3,793,661	1106	18,994,000	1799	61%
2001	4,185,732	1110	19,670,000	1857	60%
2002	3,901,248	1119	18,730,000	1849	61%
2003	4,099,629	1153	18,533,000	1850	62%
2004	4,677,215	1191	20,144,000	1918	62%
2005	3,824,575	1207	12,459,561	1811	67%
2006	3,587,401	1180	12,802,111	1707	69%
2007	4,447,258	1154	14,421,448	1714	67%
2008	4,290,014	1309	18,765,092	1585	83%
2009	4,268,577	1280	16,310,856	1589	81%
2010	3,760,207	1119	13,004,584	1565	72%
2011	3,201,487	1073	12,716,280	1496	72%
2012	2,922,493	1189	13,490,940	1354	88%
2013	2,853,817	1010	13,363,454	1383	73%
2014	3,149,351	982	12,062,316	1376	71%
2015	3,563,302	1063	14,841,332	1398	76%
2016	3,956,817	907	18,557,272	1311	69%
2017	3,606,696	871	17,931,464	1360	64%
2018	3,045,710	752	17,391,148	1354	56%
2019	3,390,116	738	17,073,032	1330	55%
2020	3,125,034	738	18,093,284	1049	70%
2021	1,798,378	766	Note 1	Note 1	Note 1
2022	1,994,071	753	11,490,460	1036	73%
\$100,629,935			\$428,665,602		

Note 1: Due to COVID -19, figures were not available.

Note 2: Total Revenue of Fisher Clients is estimated

# Fisheries Loans Disbursed to Communities 2008–2021

In addition, CEDF has provided \$100,629,935 in commercial fish loans to fishers who have earned a minimum of \$428,665,602 in income since 1993. CEDF has on average, over 750 commercial fisher's as clients that represent over 73% of all commercial fishers in Manitoba.

Community	\$ Amount	No.	Community	\$ Amount	No.
AMARANTH	265,833	42	FORK RIVER	55,500	2
ARBORG	8,000	1	FRASERWOOD	95,826	13
ARNES	448,319	43	GILLAM	18,300	1
ASHERN	71,075	9	GIMLI	2,570,901	367
BALMORAL	24,700	6	GRAND MARIAS	19,000	2
BARROWS	90,445	10	GRAND RAPIDS	4,194,474	1,017
BEACONIA	96,312	11	GRANVILLE LAKE	6,880	1
BELAIR	166,014	16	GYPSUMVILLE	2,423,444	432
BERENS RIVER	2,837,480	548	HODGSON	363,727	66
BIRCH RIVER	100,000	5	HOLLOW WATER	65,453	7
BLOODVEIN RIVER	452,881	116	INGLIS	75,000	1
BOWSMAN	97,434	4	ISLAND LAKE	8,000	1
BRANDON	20,204	3	JACK HEAD	5,300	1
BROCHET	275,282	37	KINOSOTA	26,799	6
CAMPERVILLE	119,644	16	KOMARNO	42,143	12
CAMP MORTON	81,353	18	KOOSTATAK	3,318,881	829
CORMORANT	105,769	16	LANGRUTH	13,500	2
CRANE RIVER	38,176	9	LEAF RAPIDS	502,088	63
CROSS LAKE	171,164	20	LITTLE BULLHEAD	14,241	4
DALLAS	981,131	215	LYNN LAKE	15,807	2
DAUPHIN	92,913	13	MAFEKING	334,807	40
DAUPHIN RIVER	49,399	4	MANIGOTAGAN	108,899	13
DUCK BAY	219,312	26	MARIUS	1,200	1
EAST SELKIRK	12,818	1	MATHESON ISLAND	1,844,697	283
EASTERVILLE	1,847,334	223	MATLOCK	29,857	17
EBB & FLOW	25,799	5	MEADOW PORTAGE	22,600	1
ETHELBERT	6,567	1	MELEB	16,600	5
FAIRFORD	83,454	24	MOOSE LAKE	615,754	87
FISHER BRANCH	74,510	20	NELSON HOUSE	214,626	37
FISHER RIVER	107,213	20			
FLIN FLON	19,200	1			

## continued

Community	\$ Amount	No.
NORWAY HOUSE	4,509,538	443
OAK POINT	8,000	1
OCHRE RIVER	5,900	1
OPASKWAYAK CREE NATION	56,051	23
PEGUIS	787,172	136
PELICAN RAPIDS	149,538	17
PETERSFIELD	48,722	3
PIKWITONEI	5,000	1
PINE DOCK	905,329	118
PINE FALLS	62,543	6
POPLAR RIVER	2,138,188	316
PORTAGE LA PRAIRIE	1,500	1
PRINCESS HARBOUR	148,670	26
PUKATAWAGAN	276,175	42
RED DEER	60,000	1
RIVERTON	2,204,380	315
ROCKRIDGE	24,500	2
RORKETON	9,800	2
SANDY HOOK	162,875	21
SELKIRK	660,343	83
SHERRIDON	8,190	2
SIFTON	30,000	1
SILVER RIDGE	8,500	1
SKOWNAN	656,372	127
SOUTH INDIAN LAKE	385,718	60
SPLIT LAKE	135,803	22
ST. AMBROISE	5,000	1
ST. ANDREWS	81,083	7
ST. LAURENT	152,460	19
ST. MARTIN	265,341	37
STEVENSON ISLAND	14,000	1
THE PAS	90,321	14
THICKET PORTAGE	108,006	20

Community	\$ Amount	No.
THOMPSON	86,164	17
TRAVERSE BAY	244,866	19
VICTORIA BEACH	91,404	6
VOGAR	19,330	4
WABOWDEN	951,950	86
WANIPIGOW	1,019,025	163
WATERHEN	267,642	42
WINNIPEG	628,390	110
WINNIPEG BEACH	639,322	127
WINNIPEGOSIS	389,433	41
GRAND TOTAL	\$44,516,586.51	7281





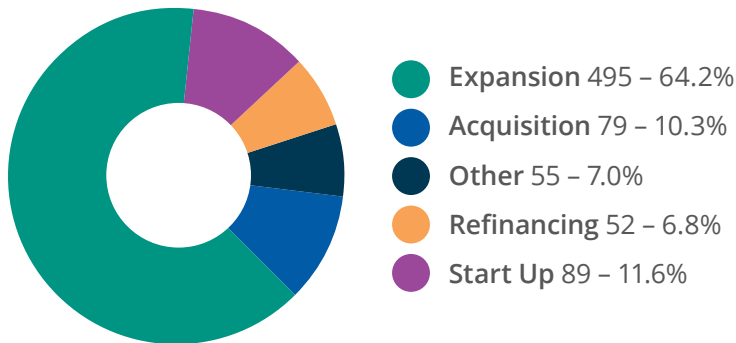
# Business Loans Disbursed by Community 1993 - 2017

1. ALONSA	\$1,305,000.00	31. GRAND RAPIDS	\$918,601.00	62. ROBLIN	\$142,185.00
2. AMARANTH	\$139,555.00	32. GYPSUMVILLE	\$39,375.00	63. ROCK RIDGE	\$57,705.00
3. ARBORG	\$300,000.00	33. HODGSON	\$230,370.00	64. RORKETON	\$20,500.00
4. ARNES	\$3,850.00	34. ILFORD	\$305,493.00	65. SAN CLARA	\$76,600.00
5. ASHVILLE	\$24,171.00	35. INGLIS	\$60,000.00	66. SELKIRK	\$3,408,189.99
6. BARROWS	\$119,863.00	36. ISLAND LAKE	\$72,000.00	67. SHERRIDON	\$340,317.00
7. BENITO	\$538,364.00	37. KENVILLE	\$216,420.00	68. SHORDDALE	\$69,757.00
8. BERENS RIVER	\$367,800.00	38. KINOSOTA	\$76,625.00	69. SIFTON	\$120,000.00
9. BIRCH RIVER	\$233,342.00	39. KOOSTATAK	\$944,934.00	70. SKOWNAN	\$21,785.00
10. BISSETT	\$124,840.00	40. LAC BROCHET	\$74,383.00	71. SNOW LAKE	\$1,823,193.00
11. BLACK RIVER	\$75,000.00	41. LAKE ST. MARTIN	\$52,210.00	72. SOUTH INDIAN LAKE	\$354,598.00
12. BRANDON	\$179,818.00	42. LEAF RAPIDS	\$1,618,636.00	73. ST. THERESA POINT	\$138,921.00
13. BROCHET	\$854,902.00	43. LITTLE GR RAPIDS	\$593,220.00	74. ST. ANDREWS	\$1,002,526.00
14. CAMPERVILLE	\$336,066.00	44. LYNN LAKE	\$971,365.00	75. ST. ROSE	\$115,000.00
15. CHURCHILL	\$7,634,090.00	45. MAFEKING	\$1,677,058.00	76. STONEWALL	\$49,999.00
16. CORMORANT	\$43,170.00	46. MALLARD	\$10,650.00	77. SWAN RIVER	\$5,041,466.00
17. CRANBERRY		47. MANIGOTAGAN	\$67,480.00	78. THE PAS	\$5,324,697.00
PORTAGE	\$1,129,230.00	48. MCCREARY	\$51,660.00	79. THICKET PORTAGE	\$72,680.00
18. CROSS LAKE	\$2,326,555.00	49. MOOSE LAKE	\$387,122.00	80. THOMPSON	\$15,540,317.66
19. DALLAS	\$75,000.00	50. MORRIS	\$142,833.45	81. WABOWDEN	\$13,639,054.00
20. DAUPHIN	\$1,959,153.00	51. NELSON HOUSE	\$353,810.00	82. WANIPIGOW	\$324,314.00
21. DUCK BAY	\$183,939.00	52. NORWAY HOUSE	\$5,913,390.00	83. WANLESS	\$168,067.00
22. DURBAN	\$77,673.00	53. OAKVIEW	\$899,425.00	84. WATERHEN	\$25,915.00
23. EASTERVILLE	\$1,722,929.00	54. OCHRE RIVER	\$197,715.00	85. WAYWAYSEECAPPO	\$167,101.00
24. EBB & FLOW	\$762,040.00	55. OXFORD HOUSE	\$247,540.00	86. WINNIPEGOSIS	\$46,610.00
25. ETHELBERT	\$618,759.00	56. PELICAN RAPIDS	\$20,500.00	Miscellaneous (Winnipeg mailing address but businesses operating outside of Winnipeg	\$2,977,640.29
26. FLIN FLON	\$1,724,587.02	57. PINAYMOOTANG	\$128,000.00	Loans approved but later withdrawn	\$4,272,723.65
27. GILBERT PLAINS	115,000.00	58. PINE RIVER	\$1,334,477.00	<b>TOTAL</b>	<b>\$99,384,886.00</b>
28. GILLAM	\$447,743.00	59. POPLAR RIVER	\$32,450.00		
29. GIMLI	\$217,242.94	60. PUKATAWAGAN	\$33,070.00		
30. GOD'S RIVER	\$511,522.00	61. RIVERTON	\$2,221,008.00		



- Northern Industrialized Communities 269 – 34.9%
- Non-Status/Metis Communities 172 – 22.3%
- Central/Southern Urban Communities 95 – 12.4%
- Rural Communities 77 – 10%
- First Nations Communities 157 – 20.4%

# Business Loans Disbursed by Industry 1993 - 2017



	\$0	\$100,000	\$1,000,000	\$2,000,000	\$3,000,000	\$4,000,000	\$5,000,000	OVER \$6,000,000
AGRICULTURE			\$364,816					
ART	\$34,105							
COMMERCIAL FISHING							\$4,505,838	
COMMERCIAL RENTALS			\$1,211,279					
CONSTRUCTION								\$6,929,576
ENTERTAINMENT			\$1,307,576					
FARMING	\$71,939							
FOOD			\$1,201,233					
FORESTRY								\$22,568,198
HARVESTING			\$1,688,997					
HOTEL								\$16,516,705
LODGE						\$3,292,104		
MANUFACTURING			\$393,559					
MECHANIC			\$496,012					
MINING	\$32,000							
OFFICE SUPPLIES	\$25,800							
OTHER								\$7,668,244
PRINTING/PUBLISHING	\$84,575							
REAL ESTATE		\$290,230						
RESTAURANT					\$3,025,897			
RETAIL				\$1,898,389				
SERVICES								\$11,883,097
TOURISM					\$2,990,910			
TRANSPORTATION								\$7,315,208
TRUCKING						\$3,508,049		
WHOLESALE	\$80,560							



## **Independent Auditor's Report**

### **To the Board of Directors of the Communities Economic Development Fund:**

#### **Opinion**

We have audited the financial statements of the Communities Economic Development Fund, which comprise the statement of financial position as at March 31, 2022, and the statement of operations and changes in net assets, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Communities Economic Development Fund at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

#### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Communities Economic Development Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, management is responsible for assessing the Communities Economic Development Fund's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Communities Economic Development Fund or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Communities Economic Development Fund's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Communities Economic Development Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting policies used, and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Communities Economic Development Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Communities Economic Development Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

June 29, 2022  
Thompson, Manitoba

*Baker Tilly HMA LLP*  
CHARTERED PROFESSIONAL ACCOUNTANTS

# Communities Economic Development Fund

## Statement of Financial Position

As at March 31, 2022

### ASSETS

#### CURRENT ASSETS

	2022	2021
Cash and Cash Equivalents	\$ 885,032	\$ 2,120,137
Trust Deposits - Province of Manitoba	572,458	562,726
Due from the Province of Manitoba (Note 2)	2,915,581	4,548,365
Accounts Receivable	154,528	104,317
Goods Held for Resale	-	4,896
Prepaid Expenses	7,765	10,447
	<u>4,535,364</u>	<u>7,350,888</u>

#### Loans Receivable (Note 3)

15,282,026 16,599,230

#### Capital Assets (Note 4)

798,994 833,348

16,081,020 17,432,578

\$ 20,616,384 \$ 24,783,466

### LIABILITIES

#### CURRENT LIABILITIES

Accounts Payable and Accrued Liabilities (Note 13)	\$ 416,004	\$ 1,361,883
Deferred Contributions (Note 5)	87,142	-
Interest Payable to the Province of Manitoba	209,123	254,133
	<u>712,269</u>	<u>1,616,016</u>

#### Accrued Pension Liability (Note 6)

3,159,201 3,155,333

#### Advances by the Province of Manitoba (Note 7)

16,744,914 20,012,117

20,616,384 24,783,466

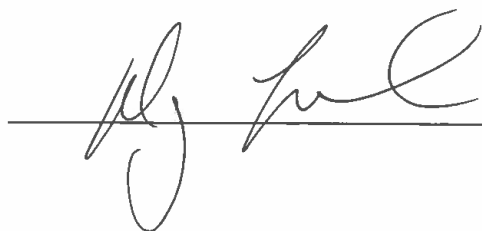
#### NET ASSETS

\$ - \$ -

\$ 20,616,384 \$ 24,783,466

Commitments (Note 8)

APPROVED BY THE BOARD OF DIRECTORS:

See accompanying notes



# Communities Economic Development Fund

## Statement of Operations and Changes in Net Assets

Year ended March 31, 2022

<b>REVENUE</b>	<b>2022</b>	<b>2021</b>
Loan Interest		
Business Program	\$ 507,823	\$ 564,972
Fisheries Program	532,088	531,041
Investment Income	16,269	16,492
	<b>1,056,180</b>	<b>1,112,505</b>
<b>COST OF FUNDS</b>		
Interest Paid to the Province of Manitoba		
Business Program	252,403	332,103
Fisheries Program	269,256	270,970
	<b>521,659</b>	<b>603,073</b>
<b>GROSS MARGIN</b>	<b>534,521</b>	<b>509,432</b>
<b>OPERATING EXPENDITURES (NOTE 12)</b>	<b>2,104,973</b>	<b>2,450,976</b>
	<b>(1,570,452)</b>	<b>(1,941,544)</b>
<b>OTHER REVENUE</b>		
Program Revenue - WD and E&T - Look North	703,347	736,583
Program Revenue - Northern Forest Diversification	-	11,005
Sundry Revenues	45,216	4,126
Bad Debt Recovery		
Business Program	12,000	82,977
Fisheries Program	14,051	8,379
Lease Income	3,075	-
Administration and Consulting Fees	-	100
	<b>777,689</b>	<b>843,170</b>
<b>Operating Deficit Prior to Provision for Doubtful Loans</b>	<b>(792,763)</b>	<b>(1,098,374)</b>
<b>Provisions for Doubtful Loans</b>		
Business Program	390,000	135,000
Fisheries Program	281,000	230,296
<b>Operating Deficit Prior to Provincial Subsidy</b>	<b>(1,463,763)</b>	<b>(1,463,670)</b>
<b>Subsidy due from Province of Manitoba</b>		
Partners for Economic Growth	463,763	463,670
Core Operations	1,000,000	1,000,000
<b>Operating surplus (deficit)</b>	<b>-</b>	<b>-</b>
Net Assets, Beginning of Year	-	-
<b>Net Assets, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying notes

# Communities Economic Development Fund

## Statement of Cash Flows

Year ended March 31, 2022

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating surplus (deficit)	\$ -	\$ -
Amortization of Capital Assets	38,804	36,268
Provision for Doubtful Loans	671,000	365,296
	<b>709,804</b>	<b>401,564</b>
Net Changes in Working Capital Balances		
Accounts Receivable	(50,211)	(45,130)
Goods Held for Resale	4,896	(3,102)
Prepaid Expenses	2,682	46,043
Accounts Payable and Accrued Liabilities	(945,879)	(32,729)
Deferred Revenue	87,142	-
Deferred Contributions	-	(119,556)
Interest Payable to the Province of Manitoba	(45,010)	(12,591)
Accrued Pension Liability	3,868	138,620
	<b>(942,512)</b>	<b>(28,445)</b>
	<b>(232,708)</b>	<b>373,119</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net Increase in Amounts Due from the Province of Manitoba	1,632,784	292,152
Net Decrease in Advances Received by the Province of Manitoba	(3,267,203)	(886,195)
	<b>(1,634,419)</b>	<b>(594,043)</b>
<b>CASH FLOWS FROM CAPITAL ACTIVITY</b>		
Acquisition of Capital Assets	(4,450)	(17,585)
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Net Change in Loans Receivable	646,204	854,499
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,225,373)</b>	<b>615,990</b>
<b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>	<b>2,682,863</b>	<b>2,066,873</b>
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	<b>\$ 1,457,490</b>	<b>\$ 2,682,863</b>
<b>REPRESENTED BY:</b>		
Cash and Cash Equivalents	\$ 885,032	\$ 2,120,137
Trust Deposits - Province of Manitoba	572,458	562,726
	<b>\$ 1,457,490</b>	<b>\$ 2,682,863</b>

See accompanying notes

# Notes to Financial Statements

Year ended March 31, 2022

## 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) Nature of Organization

The Communities Economic Development Fund (the "Fund") was established in 1971 (Ch. C155) as a Crown Corporation to encourage the optimum economic development of remote and isolated communities within the Province of Manitoba. With an act revision passed in July 1991, the objectives of the Fund are to encourage the economic development of northern Manitoba, Aboriginal people outside the City of Winnipeg, and the fishing industry in Manitoba. The Business and Fisheries Loans Programs are administered under the CEDF Act.

### b) Basis of Accounting

The financial statements have been prepared using Canadian Public Sector Accounting standards for not-for-profit organizations as established by the Public Sector Accounting Board.

### c) Management's Responsibility for the Financial Statements

The financial statements of the Fund are the responsibility of management.

### d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and short-term deposits with a duration of less than ninety days from the date of acquisition.

### e) Revenue Recognition

The Fund follows the deferral method of accounting for contributions. Interest on loans is recorded as revenue on an accrual basis except for loans which are considered impaired. When a loan becomes impaired, recognition of interest revenue ceases when the carrying amount of the loan including accrued interest exceeds the estimated realizable amount of the underlying security. Investment revenue is recorded on an accrual basis. Other revenue including administration and consulting fees is recorded when the related services or activity is provided.

### f) Allowance for Doubtful Loans

#### Business Loans Program

The loans are reviewed quarterly to assess potential impairment or loss of value. Impaired loans are defined as those which are greater than three payments in arrears, no plans in place to address arrears, and for which the value of realizable security is less than the value of the loan outstanding. In these cases, a specific allowance is accrued equal to the value of the potential security shortfall or impairment. An allowance will not be recognized for loans that are not more than 90 days in arrears and whose estimated security value is greater than the loan balance.

#### Fisheries Loans Program

The allowance for doubtful loans on fisheries loans and interest receivable is calculated based on the present value of future cash flows for those loans which, if they maintain their past payment history, will fail to retire their debt completely within the agreed term. The net present value ("NPV") formula used for calculating the allowance for doubtful loans is recognized by the Canadian Institute of Chartered



Professional Accountants, however, it does not account for closure of a fishery or regulated reduction of production. In the event of the closure of a fishery or regulated reduction of production, the NPV formula may not adequately provide for doubtful loans.

The amount of initial impairment and any subsequent changes are recorded through the provision for doubtful loans as an adjustment of the specific allowance.

Loans considered uncollectable are written off. Recoveries on loans previously written off are taken into revenue.

#### **g) Financial Instruments**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at a fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items re-measured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost.

#### **h) Capital Assets**

Capital assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated on a declining balance basis as follows:

Building	2%
Office Furniture and Equipment	10% to 30%
Parking Lot	50%

#### **i) Employment and Post-Employment Benefits**

The Fund provides pension, retirement allowance and sick leave benefits to its employees. Employees of the Fund are provided pension benefits by The Civil Service Superannuation Fund ("the CSSF"). The cost of the pension benefits earned by the employee is charged to expenses as services are rendered. The cost is actuarially determined using the projected benefit method and reflects management's best estimate of salary increases and the age at which the employee will retire. Retirement allowances are provided to certain qualifying employees. The benefits are provided under a final pay plan. The costs of benefits earned by the employees are charged to expenses as services are rendered. The costs are actuarially determined using projected benefit payments and reflect management's best estimates of future payouts. Adjustments to the allowance are recognized in income immediately.

Employees of the Fund are entitled to sick pay benefits that accumulate but do not vest. The cost of the anticipated future sick pay benefits that will be required by the employee is charged to expenses as services are rendered. The cost is determined using present value techniques.

#### **j) Use of Estimates and Measurement Uncertainty**

These financial statements have been prepared in accordance with Canadian Public Sector Accounting standards which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reported period. Significant estimates are involved in the valuation of loans receivable and the accrued pension liability. Actual results may differ from those estimates.

## 2. DUE FROM THE PROVINCE OF MANITOBA

Annually, the Province of Manitoba provides a grant for the Fund's anticipated subsidy requirements for the year. The amount of \$2,915,581 (2021 - \$4,548,365) represents additional funds needed to fund the actual requirements for the year including the pension liability. The balance is comprised of the following:

	2022	2021
Department of Economic Development and Training		
Subsidy Refundable	\$ (330,806)	\$ 346,308
Order in Council Pending	-	966,061
Pension, Unfunded	3,097,808	3,105,892
Pension, Funded	47,175	42,662
Severance Accrued, Unfunded	101,404	87,442
	<b>\$ 2,915,581</b>	<b>\$ 4,548,365</b>

## 3. LOANS RECEIVABLE

Loans receivable by program are as follows:

### Business Loans Program

Interest rates applied range from 4.50% to 8.08%

Principal	\$ 10,381,815	\$ 11,727,057
Accrued interest	559,111	655,838
	<b>10,940,926</b>	<b>12,382,895</b>
Allowance for doubtful loan	(2,538,794)	(3,001,657)
Total Business Loans Program	<b>\$ 8,402,132</b>	<b>\$ 9,381,238</b>

### Fisheries Loans Program

Interest rates applied to all fisheries loans is 5.70%

Principal	\$ 9,915,485	\$ 9,960,355
Accrued interest	626,231	638,459
	<b>10,541,716</b>	<b>10,598,814</b>
Allowance for doubtful loans	(3,661,822)	(3,380,822)
Total Fisheries Loans Programs	<b>6,879,894</b>	<b>7,217,992</b>
<b>Total Business and Fisheries Loan Programs</b>	<b>\$ 15,282,026</b>	<b>\$ 16,599,230</b>

Gross amount of loans together with the allowance for doubtful loans are as follows:

		2022		2021	
		Gross Loan Balances	Total Allowance	Gross Loan Balances	Total Allowance
<b>Business Loans Program</b>					
Impaired	\$	1,775,426	\$ 1,586,245	\$ 2,199,070	\$ 2,051,897
Performing		9,165,500	952,549	10,183,825	949,760
	\$	10,940,926	\$ 2,538,794	\$ 12,382,895	\$ 3,001,657
<b>Fisheries Loans Program</b>					
Impaired	\$	3,661,822	\$ 3,661,822	\$ 3,380,822	\$ 3,380,822
Performing		6,879,894	-	7,217,992	-
	\$	10,541,716	\$ 3,661,822	\$ 10,598,814	\$ 3,380,822

The changes in the allowance for doubtful loans are as follows:

		Specific	Non-Specific	Total 2022	Total 2021
<b>Business Loans Program</b>					
Balance, beginning of year	\$	3,001,657	\$ -	\$ 3,001,657	\$ 2,903,435
Provision for the year		390,000	-	390,000	135,000
	\$	3,391,657	\$ -	\$ 3,391,657	\$ 3,038,435
Loans written off		(852,863)	-	(852,863)	(36,778)
Balance, end of year	\$	2,538,794	\$ -	\$ 2,538,794	\$ 3,001,657

		2022	2021
<b>Fisheries Loan Program</b>			
Balance, beginning of year	\$	3,380,822	\$ 3,150,526
Provision for the year		281,000	230,296
	\$	3,661,822	\$ 3,380,822
Loans written off		-	-
Balance, end of year	\$	3,661,822	\$ 3,380,822

The provision for fisheries loans losses recorded by the Fund exceeds the value derived by the net present value formula as at March 31, 2022 by NIL (NIL - 2021).

#### Loan Loss Provision

Per accounts	\$	3,661,822	\$ 3,380,822
Per net present value calculation		(3,661,822)	(3,380,822)
	\$	-	\$ -



## 4. CAPITAL ASSETS

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2022 Net Book Value</b>
Land	\$ 92,482	\$ -	\$ 92,482
Building	931,236	246,778	684,458
Office Furniture and Equipment	296,486	274,432	22,054
Parking Lot	73,000	73,000	-
Total	\$ 1,393,204	\$ 594,210	\$ 798,994

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2021 Net Book Value</b>
Land	\$ 92,482	\$ -	\$ 92,482
Building	931,236	228,153	703,083
Office Furniture and Equipment	292,036	254,253	37,783
Parking Lot	73,000	73,000	-
Total	\$ 1,388,754	\$ 555,406	\$ 833,348

## 5. DEFERRED REVENUE

	<b>2022</b>	<b>2021</b>
Northern Economic Development Strategy	\$ 78,842	\$ -
Look North Project Partners	5,000	-
Non-Project Specific	3,300	33,347
	\$ 87,142	\$ 33,347

## 6. EMPLOYMENT AND POST-EMPLOYMENT BENEFITS PAYABLE

### Pension Benefits

The employees of the Fund are not members of the Civil Service of the Province of Manitoba but they contribute to and are pensionable under, The Civil Service Superannuation Fund. In accordance with the provisions of The Civil Service Superannuation Act, the Fund is a “non-matching employer” and contributes 50% of the pension payments made to retired employees. The current pension expense consists of the Fund’s share of pension benefits paid to retired employees, as well as the increase in the unfunded pension liability during the fiscal year. The liability is determined every year. The most recent actuarial valuation available is as at March 31, 2022.

The significant actuarial assumptions adopted in measuring the Fund’s pension liability are as follows:

### Benefit costs for the year ended March 31

	<b>2022</b>	<b>2021</b>
Discount Rate	5.75%	5.75%
Rate of Compensation Increase	3.75%	3.75%

In fiscal years prior to 1989, the Fund charged to operations the contributions made to the Manitoba Civil Service Superannuation Fund which amounted to 50% of the pension payments made to retired employees. Beginning in the 1989 fiscal year the Fund has recorded a provision to fund current service obligations. In fiscal years prior to 2015, the pension liability was calculated using the solvency method. Beginning in the 2015 fiscal year the pension liability is calculated using the going concern method in order to comply with Canadian Public Sector Accounting standards.

### Pre-Retirement Benefits

Employees may be eligible for a pre-retirement benefit provided specific criteria are met. The pre-retirement liability is estimated, based on an actuarial report dated March 31, 2022, to be \$101,404 (2021 - \$87,442) and is included in accounts payable and accrued liabilities.

### Sick Leave Benefits

Employees of the Fund are entitled to sick leave benefits during employment. Sick leave benefits, which accumulate but do not vest are estimated to be a liability as at March 31, 2022 of \$78,778 (2021 - \$24,428). The amount is not considered to be significant by management and, as such, has not been recorded as a liability in the financial statements of the Fund.

## 7. ADVANCES BY THE PROVINCE OF MANITOBA

The Communities Economic Development Fund is included under the Province of Manitoba's Loan Act Authority. Advances from the Province of Manitoba bear interest at rates established by the Minister of Finance pursuant to The Loan Act 2021. The advances are repayable at any time in whole or in part at the option of the Lieutenant Governor in Council.

Advances by the Province of Manitoba by program are as follows:

	2022	2021
<b>Business Loans Program</b>		
Advances, beginning of year	\$ 12,426,730	\$ 15,301,795
Loan Advances	1,300,000	800,000
Loan Advances Repayments	(3,731,822)	(3,675,065)
Advances, end of year	\$ 9,994,908	\$ 12,426,730
Unfunded allowance for doubtful loans, beginning of year	\$ 2,754,431	\$ 2,619,431
Provision for doubtful loans	390,000	135,000
Loans written off as approved by Board of Directors	-	-
Unfunded allowance for doubtful loans, end of year	3,144,431	2,754,431
Net advances balance, end of year	\$ 6,850,477	\$ 9,672,299

### Fisheries Loans Programs

Advances, beginning of year	\$	14,335,776	\$	11,979,370
Loan Advances		3,400,000		4,900,000
Loan Advances Repayments		(3,526,980)		(2,543,594)
Advances, end of year	\$	14,208,796	\$	14,335,776
Unfunded allowance for doubtful loans, beginning of year	\$	4,669,083	\$	4,472,083
(Recovery) Provision for doubtful loans		281,000		197,000
Loans written off as approved by Order in Council		-		-
Unfunded allowance for doubtful loans, end of year	\$	4,950,083	\$	4,669,083
Net advances balance, end of year	\$	9,258,713	\$	9,666,693

		2022		2021
<b>Net Advances due by the Province of Manitoba are as follows:</b>				
Business Loans Program	\$	6,850,477	\$	9,672,299
Fisheries Loans Program		9,258,713		9,666,693
Building Mortgage		635,724		673,125
	\$	16,744,914	\$	20,012,117

The Fund obtains capital, through its Loan Act, for the purpose of carrying out its mandate of providing financial assistance in the form of loans and guarantees through loans provided by the Department of Finance. Term loans bear interest at the rates posted by the Department of Finance at time of issue. The Fund has the option to draw annually approved Loan Act funds on floating rates periodically at the Royal Bank prime rate minus 0.75%. At year end, the advances bore rates ranging from 1.70% to 3.25% with a weighted cost of capital of 2.09%.

Principal payments due in each of the next five fiscal years on advances by the Province of Manitoba that exclude unfunded allowances for doubtful loans are as follows:

2023	\$	6,865,799
2024		5,909,686
2025		4,291,696
2026		2,974,737
2027		1,255,786
	\$	21,297,704

## 8. COMMITMENTS

Total undisbursed balances of approved loans are \$133,288 as at March 31, 2022 (2021 - \$66,300).

The Fund has committed to provide financial support to community programs. Amounts due are: \$64,800 and \$16,200 in fiscal years ended 2023 and 2024.



## 9. LOAN ACT AUTHORITY

Amounts authorized for advances under The Loan Act are as follows:

	2022	2021
Total Authority	\$ 8,000,000	\$ 8,000,000
Draws under 2021 Loan Act Authority	(4,700,000)	(5,700,000)
<b>TOTAL</b>	<b>\$ 3,300,000</b>	<b>\$ 2,300,000</b>

## 10. ECONOMIC DEPENDENCE

The ongoing operations of the Fund depends on obtaining adequate financing and funding from the Province of Manitoba as well as the ability for the Fund to provide both business and commercial fishing loans. A moratorium on the Fund being able to provide business loans, started in March of 2017, resulted in a significant year to year decrease in the gross margin that is used to pay for operating expenditures.

## 11. FINANCIAL INSTRUMENT RISK MANAGEMENT AND EXPOSURES

There have been no substantive changes in the Fund's exposure to financial instrument risks, its objectives, policies, and processes for managing those risks or methods used to measure them from previous periods.

The board has overall responsibility for the determination of the Fund's risk management objectives and policies and has identified significant exposure to credit risk.

### Credit Risk

Credit risk is the risk of loss to the Fund if a counterparty to a financial instrument fails to meet its contractual obligations. The Fund has significant outstanding loans and is mainly exposed to credit risk through the credit quality of the individuals and businesses to whom the Fund has loaned funds. Credit risk rating systems are designed to assess and quantify the risk inherent in credit activities in an accurate and consistent manner. To assess credit risk, the Fund takes into consideration the individual's and business' ability to pay, and the value of collateral available to secure the loan. The Fund's maximum exposure to risk, without taking into account any collateral or other credit enhancements is \$15,436,554 (2021 - \$16,703,547) which consists of loans and accounts receivable.

### Interest Rate Risk

Interest rate risk is the impact that changes in market interest rates will have on the operations of the Fund. The Fund holds \$15,854,484 (2021 - \$17,161,956) in interest bearing deposits and loans receivable at March 31, 2022. The Fund has mitigated this risk by adjusting interest rates for fish loans on a quarterly basis and interest rates for business loans on a monthly basis on its weighed average cost of capital.

### Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting financial obligations as they become due, and arise from the Fund's management of working capital and collections of loans receivable. The Fund's policy is to ensure that it will have sufficient cash to allow it to meet its liabilities when they become due.

## 12. SCHEDULE OF OPERATING EXPENDITURES FOR THE YEAR ENDED MARCH 31, 2022

	<b>2022</b>	<b>2021</b>
Amortization of Capital Assets	\$ 38,804	\$ 36,268
Collection Costs - Business Program	4,800	6,442
Collection Costs - Fisheries Program	248	-
Communications	30,200	27,244
Credit Reports	2,622	2,555
Directors' Fees and Expenses	38,372	32,997
Forestry Development	-	5,334
Insurance	2,542	5,253
Legal Costs	34,340	26,725
Mortgage Interest	34,527	36,331
Office Supplies and Expenses	45,820	14,919
Pension Expense	149,034	297,923
Professional Fees	36,661	128,541
Program Expense - WD and E&T - Look North	980,590	1,168,490
Property Tax	24,000	24,981
Protective Disbursements	-	52,017
Repair and Maintenance	14,790	14,562
Salaries and Benefits	623,427	523,205
Sundry	13,790	23,835
Travel	14,807	11,620
Utilities	15,599	11,734
	<b>\$ 2,104,973</b>	<b>\$ 2,450,976</b>

## 13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accrued Salaries and Vacation Pay	\$ 116,692	\$ 109,014
Accrued Severance and Pension (NFDC)	104,062	90,100
Trade Payables and Accruals	90,229	103,425
Mortgage Interest Payable	13,807	14,620
Economic Development and Jobs Payable	-	40,183
	<b>324,790</b>	<b>357,342</b>
Due to Sinking Funds	91,214	38,480
Orders in Council Pending	-	966,061
	<b>\$ 416,004</b>	<b>\$ 1,361,883</b>

## 14. OTHER MATTERS

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national, and global economies.

As a direct result of COVID-19, some commercial fishery continues to operate in limited capacity while others resumed operations during their standard fishing season. The fund has implemented a loan deferral policy which allows loan clients facing financial hardship to temporarily defer their loan payments. The deferral program became available in April 2021 and remained in place as at the audit report date.

Management continues to monitor the situation closely and has recently reviewed the policy during the first quarter of fiscal year 2022/23. The Fund is working with its clients towards resuming normal repayment schedule.















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